

MEMORANDUM FOR: Members of Financial Policy and Budget Committee

SUBJECT : Fund and Personnel Allowances for FY 1963

1. Submitted herewith is a proposed final draft of a memorandum establishing Fund and Personnel Allowances for FY 1963.

2. This has been rewritten to incorporate changes agreed at the meeting of the Financial Policy and Budget Committee held on 11 July.

3. It also contains some provisions (specifically Section B, paragraphs 4, 5, and 6) designed to meet what I believe was a general consensus of views as to how best to handle the personnel ceiling problem.

3. This problem is complicated by the need for some mechanism to exercise a continuing review of the personnel situation, particularly in terms of its practical ramifications, while at the same time giving components authority to proceed with the recruitment of individuals who are needed in accordance with ceilings approved in the FY 1963 Budget. On the one hand components should be authorized to go ahead and recruit in accordance with their legitimate requirements. On the other hand some flexibility should be retained to allow for modifications of ceilings to the extent that requirements change as a result of future developments.

4. Accordingly, we have proposed, in effect, that components be permitted to recruit against FY 1963 ceilings but that practical progress in the attainment of these ceilings be reviewed periodically by the Financial Policy and Budget Committee so that the DDCI may make such changes in ceilings as may later appear to be justified.

5. In the meantime, it has been agreed with the DD/S that the figure of 2,500 will be arbitrarily assumed as the total number, including replacements for vacancies caused by attrition, to be hired during FY 1963. This figure will be used for the purpose of estimating the size of the staff required by the Offices of Security and Personnel and the Medical Staff for recruiting and processing new personnel.

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6. Section B., paragraph 5., provides a procedure whereby components with foreseeable overceiling requirements (primarily, in all probability, the DD/R), can apply for authority to recruit above their established ceiling.

7. I should greatly appreciate concurrence in this proposed memorandum as a matter of some urgency. If desired by any component, we can of course convene a meeting of the Financial Policy and Budget Committee to consider any aspects of the memorandum which seem to require further discussion.

JOHN A. BROSS
Chairman
Financial Policy and
Budget Committee

Distribution:

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25X1A9a 1 - Secretary, FPBC

TRANSMITTAL SLIP		DATE July 1962
TO: EG		
ROOM NO.	BUILDING	
REMARKS:		
25X1A	[] dropped these off. Bross will call you about them to secure your concurrence. They've been diddled considerably since you last saw them.	
25X1A	In essence, [] changed his mind about financing this immediate office from the DCI Reserve (which is what he did in the first version). We appear to have "lost" some ground at first glance, but I am convinced after some very long conversations with [] and [] that we aren't hurting.	
25X1A	We now have to deal with personnel increases separately (as you'll read herein), but they've got room to turn around. [] stole our immed office	
25X1A	FROM: money from OSA, but gave us an IOU from DCI Reserve, if we need it. RWK	
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

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